



12 MAY 1959

**Mr. Phillip S. Hughes**  
**Assistant Director for Legislative Reference**  
**Bureau of the Budget**  
**Washington 25, D. C.**

**Dear Mr. Hughes:**

Thank you for your letter of 4 May 1959 enclosing copies of the Civil Service Commission's report and the statement made to the Senate Committee by the Deputy Budget Director on S. 94, a bill to establish a Federal employee health insurance system. We shall review this material in detail.

As indicated in our draft letter to the Senate Committee on this bill, this Agency faces security problems unique to this organization in conforming to general legislation providing employee benefits. While it is our policy to conform to general legislation of this sort wherever possible, it is necessary for us to request sufficient latitude in such legislation to permit us to arrange with the administering agency appropriate procedures for resolving these unique problems.

Upon the completion of our review of the materials you have provided, we shall communicate further with you on this subject.

Your interest in our problems concerning this legislation is appreciated.

Sincerely,

Signed **C. P. CABELL**

**C. P. Cabell**  
**General, USAF**  
**Deputy Director**

OGC/LC/GLC/cmj (7 May 59)

Retyped for DDCI Signature: O/DCI [redacted] 11 May 59

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MEMORANDUM FOR: THE DIRECTOR

The Senate Post Office and Civil Service Committee is actively considering an employee health insurance bill. We are concerned as to the effect such legislation might have upon our existing insurance arrangements. We prepared a draft letter to the Committee expressing our views on this subject. When it was referred to the Bureau of the Budget for clearance on an informal basis, the Bureau expressed some doubt about clearing it. The attached letter from the Bureau is a result of that contact. When you have signed the letter we have proposed, the materials will be sent to the Director of Personnel for study and recommendations.

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LAWRENCE R. HUSTON  
General Counsel

8 MAY 1959

(DATE)

FORM NO. 101 REPLACES FORM 10-101  
1 AUG 54 WHICH MAY BE USED.

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